

LARSON & STEPHENS
810 S. Casino Center Blvd., Suite 104
Las Vegas, Nevada 89101
 Tel: (702) 382-1170 Fax: (702) 382-1169

James I. Stang, Esq. (CA Bar No. 94435)
 Shirley S. Cho, Esq. (CA Bar No. 192616)
PACHULSKI STANG ZIEHL & JONES LLP
 10100 Santa Monica Blvd., 13th Floor
 Los Angeles, California 90067-4100
 Telephone: 310/277-6910
 Facsimile: 310/201-0760
 Email: jstang@pszjlaw.com
 scho@pszjlaw.com

E-File: September 7, 2011

Zachariah Larson, Esq. (NV Bar No. 7787)
LARSON & STEPHENS
 810 S. Casino Center Blvd., Ste. 104
 Las Vegas, NV 89101
 Telephone: 702/382.1170
 Facsimile: 702/382.1169
 Email: zlarson@lslawnv.com

Attorneys Reorganized Debtors

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:

THE RHODES COMPANIES, LLC, aka
"Rhodes Homes," et al.,¹
Debtors.

Case No.: BK-S-09-14814-LBR
 (Jointly Administered)

Chapter 11

Affects:

☐ All Debtors
☒ Affects the following Debtor(s)

Hearing Date: September 27, 2011
 Hearing Time: 10:30 a.m.
 Courtroom 1

Bravo, Inc. 09-14825

¹ The Debtors in these cases, along with their case numbers are: Heritage Land Company, LLC (Case No. 09-14778); The Rhodes Companies, LLC (Case No. 09-14814); Tribes Holdings, LLC (Case No. 09-14817); Apache Framing, LLC (Case No. 09-14818); Geronimo Plumbing LLC (Case No. 09-14820); Gung-Ho Concrete LLC (Case No. 09-14822); Bravo, Inc. (Case No. 09-14825); Elkhorn Partners, A Nevada Limited Partnership (Case No. 09-14828); Six Feathers Holdings, LLC (Case No. 09-14833); Elkhorn Investments, Inc. (Case No. 09-14837); Jarupa, LLC (Case No. 09-14839); Rhodes Realty, Inc. (Case No. 09-14841); C & J Holdings, Inc. (Case No. 09-14843); Rhodes Ranch General Partnership (Case No. 09-14844); Rhodes Design and Development Corporation (Case No. 09-14846); Parcel 20, LLC (Case No. 09-14848); Tuscany Acquisitions IV, LLC (Case No. 09-14849); Tuscany Acquisitions III, LLC (Case No. 09-14850); Tuscany Acquisitions II, LLC (Case No. 09-14852); Tuscany Acquisitions, LLC (Case No. 09-14853); Rhodes Ranch Golf and Country Club, LLC (Case No. 09-14854); Overflow, LP (Case No. 09-14856); Wallboard, LP (Case No. 09-14858); Jackknife, LP (Case No. 09-14860); Batcave, LP (Case No. 09-14861); Chalkline, LP (Case No. 09-14862); Glynda, LP (Case No. 09-14865); Tick, LP (Case No. 09-14866); Rhodes Arizona Properties, LLC (Case No. 09-14868); Rhodes Homes Arizona, L.L.C. (Case No. 09-14882); Tuscany Golf Country Club, LLC (Case No. 09-14884); and Pinnacle Grading, LLC (Case No. 09-14887).

**DECLARATION OF DEAN GRIFFITHS IN SUPPORT OF DEBTORS' OBJECTION
TO CLAIM NO. 7 FILED BY THE INTERNAL REVENUE SERVICE AGAINST
DEBTOR BRAVO, INC. [RE: DOCKET NO. 1377]**

I, Dean Griffiths, declare as follows:

1. I am an individual over the age of 18 years of age. Unless stated otherwise, the facts set forth in this declaration are within my personal knowledge. If called upon to testify, I could and would competently testify to the facts set forth herein.

2. I was employed by Bravo, Inc., dba Rhodes Framing ("Bravo") from 1996 to 2004 in various positions including General Manager and General Superintendent. Bravo was the division of Rhodes Homes that was responsible for framing homes for various building projects in the Las Vegas area.

3. In the early 2000's, there was a housing market boom. Consequently, during that time Bravo was very busy on a number of building projects and the number of manual laborers employed by Bravo grew at a high rate. Bravo became concerned with its ability to handle the administrative and recordkeeping requirements for the employment of the growing number of new laborers that it needed to sustain production on the increasing number of building projects.

4. I was introduced to Robert Kahre through one of Bravo's employees. I met Kahre on one occasion. Kahre represented to me that his company, Union Pacific Construction ("Pacific"), could provide manual laborers for Bravo's projects as a subcontractor, thereby eliminating Bravo's administrative burden and payment obligations with respect to these laborers. On this basis, Bravo engaged Pacific beginning in the early 2000's as a subcontractor to provide laborers to work on Bravo's building projects.

5. After Bravo engaged Pacific, Pacific (with Bravo's consent) hired certain of Bravo's employees as its own employees. The former Bravo employees retained by Pacific were no longer Bravo's employees and Bravo had no responsibility for these employees. Pacific provided both former Bravo employees and other of Pacific's employees as laborers to work on building projects of Bravo's. Pacific had the sole responsibility of paying the former Bravo employees hired by Pacific, as well as any other employees of Pacific, who worked on Bravo's

LARSON & STEPHENS
810 S. Casino Center Blvd., Suite 104
Las Vegas, Nevada 89101
Tel: (702) 382-1170 Fax: (702) 382-1169

LARSON & STEPHENS
810 S. Casino Center Blvd., Suite 104
Las Vegas, Nevada 89101
Tel: (702) 382-1170 Fax: (702) 382-1169

1 building projects. Pacific was also responsible for all other matters that an employer would have
2 with respect to its own employees, including payroll, workmans' compensation insurance, labor
3 disputes, and withholding and payment of taxes to the proper taxing authorities.

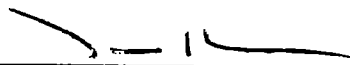
4 6. After Bravo hired Pacific as a subcontractor, Bravo continued to maintain its own
5 employees, who were long-time hourly or salaried employees, such as supervisors and foremen
6 such as myself.

7 7. During the time that Pacific served as subcontractor to Bravo, I did not know that
8 Kahre or Pacific may not have paid or withheld taxes owed by Pacific or Pacific's employees.
9 Nor am I aware that any other employee or officer of Bravo or Rhodes Homes was aware at that
10 time that Kahre or Pacific may not have paid taxes owed by Pacific or Pacific's employees.

11 After Pacific had been engaged by Bravo for a period of time, I heard that Pacific or Kahre may
12 have been involved in a gold coin payment arrangement and, immediately after I discovered this,
13 Bravo terminated its relationship with Pacific and Kahre.

14 I declare under penalty of perjury under the laws of the United States of America that the
15 foregoing is true and correct.

16 Executed this 7 day of September, 2011 at Las Vegas, Nevada.

17
18 
19 Dean Griffith

CERTIFICATE OF SERVICE

1. On the 7th day of September 2011, I served the following document(s):

**DECLARATION OF DEAN GRIFFITHS IN SUPPORT OF DEBTORS' OBJECTION
TO CLAIM NO. 7 FILED BY THE INTERNAL REVENUE SERVICE AGAINST
DEBTOR BRAVO, INC. [RE: DOCKET NO. 1377]**

2. I served the above-named document(s) by the following means to the persons as listed below:

(check all that apply)



a.

United States mail, postage fully prepaid

(List persons and addresses. Attach additional paper if necessary)

PLEASE SEE ATTACHED.

3. On **September 7, 2011** I served the above-named document(s) by the following means to the persons as listed below:

(check all that apply)



a.

ECF System *(You must attach the "Notice of Electronic Filing", or list all persons and addresses and attach additional paper if necessary)*

I declare under penalty of perjury that the foregoing is true and correct.

Signed on (date): September 7, 2011

Sophia L. Lee

(Name of Declarant)

/s/Sophia L. Lee

(Signature of Declarant)

ECF SERVICE LIST

09-14814-lbr Notice will be electronically mailed to:

KEVIN N. ANDERSON on behalf of Creditor JAMES RHODES

kanderson@fabianlaw.com, sburdash@fabianlaw.com

BRETT A. AXELROD on behalf of Creditor SAGEBRUSH ENTERPRISES, INC.

baxelrod@foxrothschild.com,

pkais@foxrothschild.com; rdittrich@foxrothschild.com; msheffield@foxrothschild.com; ldupree@foxrothschild.com

J. THOMAS BECKETT on behalf of Creditor CREDITORS COMMITTEE

ECF@parsonsbehle.com

SHIRLEY S. CHO on behalf of Debtor THE RHODES COMPANIES, LLC

scho@pszjlaw.com

JANET L. CHUBB on behalf of Creditor COMMERCE ASSOCIATES, LLC

bsalinas@armstrongteasdale.com

DAVID A. COLVIN on behalf of Creditor DANA KEPNER COMPANIES, LLC

dcolvin@maclaw.com,

mwalters@maclaw.com; kgallegos@maclaw.com; tszostek@maclaw.com; bfrauenfeld@maclaw.com

NATALIE M. COX on behalf of Plaintiff EUGENE DAVIS

ncox@klnevada.com, bankruptcy@klnevada.com; bbroussard@klnevada.com

THOMAS E. CROWE on behalf of Creditor SHANE SMITH

tcrowelaw@yahoo.com

DAMON K. DIAS on behalf of Creditor X-It at 215, LLC

ddias@diaslawgroup.com, bankruptcy@diaslawgroup.com

TRACY A. DIFILLIPPO on behalf of Creditor COMMERCE ASSOCIATES, LLC

tdifillippo@jonesvargas.com, enunez@jonesvargas.com; ehardy@jonesvargas.com

CONOR P. FLYNN on behalf of Creditor COMMERCE ASSOCIATES, LLC

cflynn@jonesvargas.com

PHILIP S. GERSON on behalf of Creditor CLARK COUNTY

banknv@rocgd.com, mburgener@rocgd.com

REW R. GOODENOW on behalf of Creditor CREDITORS COMMITTEE

ecf@parsonsbehle.com

LARSON & STEPHENS
810 S. Casino Center Blvd., Suite 104
Las Vegas, Nevada 89101
Tel: (702) 382-1170 Fax: (702) 382-1169

JAMES D. GREENE on behalf of Plaintiff EUGENE DAVIS

jgreene@greeneinfusolaw.com,
fritchie@greeneinfusolaw.com; kfarney@greeneinfusolaw.com; bschmidt@greeneinfusolaw.com;
cwalton@greeneinfusolaw.com

KIRBY C. GRUCHOW on behalf of Creditor NEVADA POWER COMPANY

hkelley@leachjohnson.com

DAVID R HAGUE on behalf of Creditor JAMES RHODES

dhague@fabianlaw.com, dromero@fabianlaw.com

CAROL L. HARRIS on behalf of Creditor In re Kitec Fitting Litigation Class Plaintiffs

c.harris@kempjones.com, jlm@kempjones.com

RODNEY M. JEAN on behalf of Creditor Credit Suisse, Cayman Islands Branch

RJEAN@LIONELSAWYER.COM,
gbagley@lionelsawyer.com; bklsclv@lionelsawyer.com; mstow@lionelsawyer.com

ROBERT R. KINAS on behalf of Creditor CATERPILLAR FINANCIAL SERVICES CORPORATION

rkinas@swlaw.com,
jmath@swlaw.com; mfull@swlaw.com; cdossier@swlaw.com; nbaig@swlaw.com; nunzueta@swlaw.com; docket_las@swlaw.com

KEITH S. KNOCHER on behalf of Creditor VALERIE SILVAS

law@lawyersinarizona.com, bank@lawyersinarizona.com

BART K. LARSEN on behalf of Creditor Reef Colonial, LLC

blarsen@klnevada.com, jierien@klnevada.com; bankruptcy@klnevada.com

ZACHARIAH LARSON on behalf of Debtor APACHE FRAMING, LLC

cshurtliff@larsonlawnv.com, ssanton@larsonlawnv.com; akosina@larsonlawnv.com

NILE LEATHAM on behalf of Creditor STEERING COMMITTEE OF SENIOR SECURED LENDERS

nleatham@klnevada.com, ckishi@klnevada.com; bankruptcy@klnevada.com

ANNE M. LORADITCH on behalf of Creditor JAMES RHODES

aloraditch@foxrothschild.com,
pkais@foxrothschild.com; rdittrich@foxrothschild.com; msheffield@foxrothschild.com

VIRGINIA CRONAN LOWE on behalf of Creditor UNITED STATES OF AMERICA - INTERNAL REVENUE SERVICE

virginiacronan.lowe@usdoj.gov, Western.Taxcivil@usdoj.gov

ERIC D. MADDEN on behalf of Other Prof. THE LITIGATION TRUST OF THE RHODES COMPANIES, LLC

emadden@diamondmccarthy.com, cburrow@diamondmccarthy.com

JANIECE S MARSHALL on behalf of Creditor STANLEY CONSULTANTS, INC.

, car@amclaw.com; lom@amclaw.com; crb@amclaw.com; csh@amclaw.com

LARSON & STEPHENS
810 S. Casino Center Blvd., Suite 104
Las Vegas, Nevada 89101
Tel: (702) 382-1170 Fax: (702) 382-1169

1 EDWARD M. MCDONALD on behalf of U.S. Trustee U.S. TRUSTEE - LV - 11
2 edward.m.mcdonald@usdoj.gov

3 SUSAN L. MYERS on behalf of Creditor Credit Suisse, Cayman Islands Branch
4 smyers@lacsnc.org, emontes@lacsnc.org; bklsclv@lionelsawyer.com

5 JEFFREY D. OLSTER on behalf of Creditor HARSCH INVESTMENT PROPERTIES -
6 NEVADA, LLC
7 sallade@lbbslaw.com

8 OMNI MANAGEMENT GROUP, LLC (bo)
9 bosborne@omnimgt.com, sewing@omnimgt.com

10 ERIC RANSVAGE on behalf of Creditor Leslie Blasco, et al.
11 eransavage@sslplaw.com, agutierrez@sslplaw.com

12 JACOB J ROBERTS on behalf of Other Prof. THE LITIGATION TRUST OF THE RHODES
13 COMPANIES, LLC
14 jroberts@diamondmccarthy.com, cburrow@diamondmccarthy.com

15 BRIAN D. SHAPIRO on behalf of Other Prof. THE LITIGATION TRUST OF THE RHODES
16 COMPANIES, LLC
17 bshapiro@brianshapirolaw.com,
18 ecf@brianshapirolaw.com; brianshapiroesq@yahoo.com; bshapiro@brianshapirolaw.com; candice@brianshapirolaw.com

19 SHLOMO S. SHERMAN on behalf of Interested Party REORGANIZED DEBTORS
20 ssherman@klnevada.com, bankruptcy@klnevada.com; bbroussard@klnevada.com

21 MARK R. SOMERSTEIN on behalf of Creditor WELLS FARGO BANK, N.A.
22 mark.somerstein@ropesgray.com

23 ELIZABETH E. STEPHENS on behalf of Attorney SULLIVAN HILL LEWIN REZ & ENGEL
24 stephens@sullivanhill.com,
25 calderone@sullivanhill.com; vidovich@sullivanhill.com; roberts@sullivanhill.com; hill@sullivanhill.com; Manning@sullivanhill.com; stein@sullivanhill.com

26 JEFFREY R. SYLVESTER on behalf of Creditor CREDIT SUISSE, CAYMAN ISLANDS
27 BRANCH
28 jeff@sylvesterpolednak.com

TIMOTHY P. THOMAS on behalf of Creditor STEERING COMMITTEE OF SENIOR
SECURED LENDERS
, veralynn@tthomaslaw.com

U.S. TRUSTEE - LV - 11
USTPRegion17.lv.ecf@usdoj.gov

DONALD H. WILLIAMS on behalf of Creditor Westar Kitchen & Bath, LLC
DonaldHWilliamsLaw@gmail.com, taylor sellers@gmail.com

MICHAEL YODER on behalf of Other Prof. THE LITIGATION TRUST OF THE RHODES
COMPANIES, LLC
myoder@diamondmccarthy.com, cburrow@diamondmccarthy.com

LARSON & STEPHENS
810 S. Casino Center Blvd., Suite 104
Las Vegas, Nevada 89101
Tel: (702) 382-1170 Fax: (702) 382-1169